

Uptake of the Health Star Rating system as at November 2023

A report on progress against the first interim target of the Health Star Rating system

May 2024

Introduction

The Health Star Rating system (HSR) is a voluntary front-of-pack labelling system that rates the overall nutritional profile of packaged food and assigns it a rating from ½ a star to 5 stars. It provides a quick, easy, standard way to compare similar packaged foods.

The HSR system was first implemented in Australia and New Zealand in June 2014, and is jointly funded by the Australian, state and territory and New Zealand governments.

Following an independent review of the HSR system in 2019 (the Five Year Review), Food Ministers in Australia and New Zealand set the following uptake targets for the system:

- Interim target 1: 50% of intended products apply an HSR by 14 November 2023
- Interim target 2: 60% of intended products apply an HSR by 14 November 2024
- Final target: 70% of intended products apply an HSR by 14 November 2025.

Ministers agreed that if the final target is not met, they will consider mandating the system.

Data to monitor progress towards these targets are analysed in Australia by Food Standards Australia New Zealand (FSANZ), and in New Zealand by New Zealand Food Safety (NZFS). FSANZ and NZFS, along with the Front-of-Pack Labelling Secretariat, engaged throughout the data analysis period to ensure methodologies were as closely aligned as possible.

Uptake targets are measured based on total stock keeping units (SKUs) intended to apply the HSR system. This is intended to:

- illustrate the absolute number of foods carrying the HSR irrespective of the market share of products
- achieve the broadest coverage across the food supply, including by targeting both high selling and lower selling products
- maximise the information available to consumers at the point of purchase.

Uptake monitoring

Following the uptake target date for interim target 1, analysis shows the HSR is displayed on an estimated:

- 32% of intended products in Australia; and
- 30% of intended products in New Zealand.

Data were collected and analysed by FSANZ using data from Australia's four major retailers, brand owners and in-market collections. In Australia, there were an estimated 27,590 products intended to display the HSR system, and the HSR was found to be displayed on 8,864 intended products (32%). A detailed report on the Australian data is at [Attachment 1](#).

Data were collected in New Zealand by GS1 and analysed by New Zealand Food Safety using the GS1 New Zealand On Pack Database. This database predominantly includes food product information from the two major supermarket retailers. In New Zealand, 19,745 products intended to display the HSR system were identified, and the HSR was found to be displayed on 5,826 of those (30%). A detailed report on the New Zealand data is at [Attachment 2](#).

These findings are substantially below the target of 50%.

The results of this report cannot be compared to previous HSR uptake estimates due to the different methodology and sources of product data used for the analysis.

This is the first time that uptake data has been collected as a proportion of *intended* products only. In the lead up to the Five Year Review of the HSR system, uptake was measured as a proportion of *both intended and permitted* products. At that time (June 2018), the HSR appeared on 31% of *intended and permitted* products (5,448 products) in Australia and 21% of *intended and permitted* products (2,997 products) in New Zealand.

Permitted, intended and prohibited foods

Data on the uptake targets is reported as a proportion of *intended* foods.

Most packaged foods are *permitted* to use the system. Foods *intended* to carry the HSR system are those that:

- Are permitted to use the system; and
- Are required by the Australia New Zealand Food Standards Code to have a nutrition information panel (NIP); and
- Can vary in nutritional composition.

Foods prohibited from using the system include alcohol, infant formula, certain special purpose foods and kava.

HSR Monitoring Framework

The Food Regulation Standing Committee (FRSC) developed an HSR monitoring framework¹ to guide priority areas of enquiry for the HSR system in Australia and New Zealand for the period 2023-2025. The aim of the framework is to both guide monitoring of the updated HSR system (following the finalisation of the Five Year Review in 2020) and maximise consistency of monitoring approaches between Australia and New Zealand. The framework identifies monitoring progress against uptake targets as an 'essential monitoring requirement' under the 'uptake area of enquiry'.

An HSR monitoring plan for 2023 was developed to provide further detail on monitoring against the first interim uptake target². Monitoring plans for 2024 and 2025 will be developed following consideration of the learnings and outcomes from monitoring and reporting against interim target 1.

More information on the Health Star Rating system, including the Monitoring Framework and Monitoring Plan, can be found at www.healthstarrating.gov.au.

¹ Health Star Rating system post five-year review. Monitoring Framework. July 2023. Available at: [http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/\\$File/Monitoring%20Framework%20-%20final.PDF](http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/$File/Monitoring%20Framework%20-%20final.PDF)

² Health Star Rating system. Year 3 monitoring plan. Available at: [http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/\\$File/HSR%20Year%203%20Monitoring%20Plan%20-%20final.PDF](http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/$File/HSR%20Year%203%20Monitoring%20Plan%20-%20final.PDF)

Industry survey

An online survey of industry was conducted between November and December 2023 to seek views and feedback from companies on the HSR system. The survey sought information on industry's current experiences with the system, including barriers and challenges, as well as future plans for implementing the system. The survey aligns with the intent of the Monitoring Framework to seek contextual information to accompany data on uptake, which helps to understand how the system is being used.

An invitation to complete the survey was sent by the Front-of-Pack Labelling Secretariat to its distribution databases (approximately 800 recipients). Eighty-four responses were received, including big and small companies and those who used the HSR system and those who did not. Key findings of the survey included that:

- Around a third of respondents (n=27) intended to apply the HSR to additional products in the next 12 months
- Nearly half (n=38) of respondents indicated public health was a key reason for implementing the system
- Barriers to implementation included cost, lack of space on smaller labels, and commercial reasons
- Around a third of respondents (n=33) did not believe the HSR was a fair indication of the nutritional profile of their products.

Respondents identified actions that could be undertaken to increase demand for, and uptake of the HSR system, including:

- Consumer education (including but not limited to the HSR)
- Better recognition of companies applying the HSR
- More support especially for smaller companies
- Regular review and updates to the system, including changes to the calculator
- Mandating the system.

The Front-of-Pack Labelling Secretariat would like to thank those companies who provided feedback to the survey for sharing their insights and experiences.

A detailed summary of findings of the industry survey is at [Attachment 3](#).



Health Star Rating Uptake in Australia

Report on progress against Health Star Rating uptake targets:
Interim Target 1, 2023

March 2024

Disclaimer

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Executive summary

The Health Star Rating (HSR) is a voluntary front-of-pack labelling system that rates the overall nutritional profile of packaged food to support consumers to make informed choices. The system uses a rating scale of 0.5 to 5 stars to provide a standardised way for consumers to compare the relative healthiness of similar packaged foods. When comparing similar products, the more stars, the healthier the choice.

The HSR system was implemented in Australia and New Zealand in June 2014, and is jointly funded by Australian, state and territory and New Zealand governments. An independent review of the system was conducted in 2019.

In 2020, Food Ministers in Australia and New Zealand set the following uptake targets for the voluntary system:

- Interim target 1 (at 3 years): 50% of intended products have applied the HSR by 14 November 2023
- Interim target 2 (at 4 years): 60% of intended products have applied the HSR by 14 November 2024
- Final target (at 5 years): 70% of intended products have applied the HSR by 14 November 2025.

Food Standards Australia New Zealand (FSANZ) is an independent technical advisor to the HSR system and is responsible for the data collection and analysis required to report on uptake in Australia. This document is FSANZ's report on uptake against Interim target 1.

Data considered within the analysis included label information provided by brand owners, outputs of in-market data collection and national product range files provided by Australia's four major retailers.

In November 2023, there were an estimated 27,590 products intended to display the HSR system. The HSR system was found to be displayed on 8,864 intended products, representing uptake of 32%. This is below the first interim uptake target of 50%.

FSANZ intends to use comparable methodologies and data sources for reporting Interim target 2 in November 2024 and the final target in November 2025.

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Purpose

The purpose of this document is to report on the uptake of Health Star Rating (HSR) in Australia against Interim target 1 – 50% of intended products apply HSR by 14 November 2023.

Introduction

Health Star Rating system

The Health Star Rating (HSR) is a voluntary front-of-pack labelling system that rates the overall nutritional profile of packaged food to support consumers to make informed choices. The system uses a rating scale of 0.5 to 5 stars to provide a standardised way for consumers to compare the relative healthiness of similar packaged foods. When comparing similar products, the more stars, the healthier the choice.

The HSR system is a joint initiative between the Australian Commonwealth, state and territory and New Zealand governments. It was developed in collaboration with the food industry, public health and consumer groups and was implemented in Australia and New Zealand in 2014.

Food Standards Australia New Zealand (FSANZ) is an independent technical advisor to the HSR system. FSANZ manages and maintains the HSR algorithm and calculator binationally, and is responsible for data collection and analysis required to report HSR uptake in Australia. New Zealand Food Safety is responsible for monitoring implementation of the HSR system in New Zealand.

Uptake targets

An independent review (the review) was carried out in 2019, following 5 years of implementation of the system. The review recommended that *'the HSR system remain voluntary, but with clear uptake targets set and all stakeholders working together to drive uptake. If the HSR system continues to perform well but the HSR is not displayed on 70% of target products within five years of a government decision, the HSR system should be mandated.'*

In 2020, the then Australia and New Zealand Ministerial Forum on Food Regulation (now the Food Ministers' Meeting) supported this recommendation and set uptake targets for the HSR system:

- Interim target 1 (at 3 years): 50% of intended products have applied the HSR by 14 November 2023
- Interim target 2 (at 4 years): 60% of intended products have applied the HSR by 14 November 2024
- Final target (at 5 years): 70% of intended products have applied the HSR by 14 November 2025.

Products intended to display an HSR

Foods intended to carry the HSR system¹ are those that:

- Are permitted to use the system; and
- Are required by the Australia New Zealand Food Standards Code to have a nutrition information panel (NIP); and
- Can vary in nutritional composition.

¹ Health Star Rating System: Targets and intended products. Available at: <http://healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/target-and-intended-products>

Intended products do *not* include:

- fresh and minimally processed fruits and vegetables
- plain (packaged) water (including sparkling water)
- unpackaged foods and
- foods not required to bear a NIP.

Further information on intended products can be found at Appendix 1.

HSR monitoring framework

The Food Regulation Standing Committee developed an HSR monitoring framework² to guide priority areas of enquiry for the HSR system in Australia and New Zealand for the period 2023-2025. The aim of the framework is to both guide monitoring of the updated HSR system post review and maximise consistency of monitoring approaches between Australia and New Zealand. The framework identifies monitoring progress against uptake targets as an 'essential monitoring requirement' under the 'uptake area of enquiry'.

An HSR monitoring plan for 2023 was developed to provide further detail on monitoring against the first interim uptake target³. Monitoring plans for 2024 and 2025 will be developed following consideration of the learnings and outcomes from monitoring and reporting against Interim target 1.

Methodology

To be able to determine HSR uptake as a proportion of intended products, FSANZ determined the total number of products:

- **intended to apply the HSR system** in the Australian market, as represented by products ranged by Australia's four major retailers (ALDI, Coles, Metcash⁴ and Woolworths)
- **intended to AND applying the HSR system** in the Australian market, as represented by products ranged by Australia's four major retailers.

Criteria and documented assumptions (refer to Appendix 1) supported the categorisation of intended products across all data files. Approaches and decisions were discussed with New Zealand Food Safety to ensure consistency in categorisation across countries.

Determining the Intended Count

The total number of intended products available in Australia was estimated by FSANZ using data from product range files provided by Australia's four major retailers to align with the November reporting period.

FSANZ reviewed the data provided by each retailer to identify a unique list of food and beverage products available in-market by removing duplicate records and non-food, pet food and festive products⁵. All remaining products were then categorised as either:

- permitted and intended to display an HSR

² Health Star Rating system post five-year review. Monitoring Framework. July 2023. Available at: [http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/\\$File/Monitoring%20Framework%20-%20final.PDF](http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/$File/Monitoring%20Framework%20-%20final.PDF)

³ Health Star Rating system. Year 3 monitoring plan. Available at: [http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/\\$File/HSR%20Year%203%20Monitoring%20Plan%20-%20final.PDF](http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/$File/HSR%20Year%203%20Monitoring%20Plan%20-%20final.PDF)

⁴ Metcash is a wholesale distribution and marketing company that supports the independent business sector. Whilst not truly a 'retailer' Metcash is referenced as a retailer in this report for simplicity and with reference to their sale of Black and Gold and Community Co brands to independent store owners Australia wide.

⁵ Festive products were excluded from the analysis as the data may not adequately capture all such products which are only available at certain points of the year.

- permitted but not intended to display an HSR
- not permitted to display an HSR.

Determining Uptake number

The total number of intended products available in Australia and applying the HSR system was estimated using data provided to FSANZ by brand owners or collected by FSANZ through in-market collection.

A total of 4,184 products with an HSR were provided to FSANZ by brand owners. Of these, 4,114 were categorised as permitted and intended to display an HSR.

A sampling schedule was created to collect data for brands and products not represented in data provided by brand owners. In-market data collection was undertaken by FSANZ in October and November 2023 using image collection tools developed by GS1 Australia. Table 1 provides a summary of the in-market collection.

Table 1: Details of In-store Data Collection

Source	Location	Products included
Smart Media	<ul style="list-style-type: none"> • Products were sourced and imaged at GS1 Australia VIC 	HSR labelled products imaged by GS1 Australia prior to 14 November 2023 and confirmed current at 14 November 2023.
Aldi	<ul style="list-style-type: none"> • Majura Park ACT • Alexandra Hills QLD 	All ALDI branded and HSR labelled products observed in store on collection days.
Woolworths	<ul style="list-style-type: none"> • Majura Park ACT • Cumberland Park SA • Capalaba Central QLD 	All HSR labelled products observed in store on collection days and not provided by brand owners or obtained through prior in-market collection.
Coles	<ul style="list-style-type: none"> • Dickson ACT • Capalaba Central QLD 	
IGA	<ul style="list-style-type: none"> • Ainslie ACT • Mt Cotton QLD • Birkdale QLD • Cleveland QLD 	All Metcash branded and HSR labelled products observed in store on collection days.

A total of 5,049 products with an HSR were captured through in-market collection. Of these, 4,750 were categorised as permitted and intended to display an HSR.

Products categorised as permitted and intended to display an HSR identified through the two collection methods were combined to determine the total number of intended products carrying an HSR at 14 November 2023 and used for further analysis.

Data audit

A targeted in-store audit was completed by FSANZ, with support from GS1 Australia, to ensure the accuracy and currency of the HSR data provided by brand owners. FSANZ staff collected images for a representative sample of products (n=808, 20% of intended products) for which data had been provided. GS1 Australia, with FSANZ's input, undertook an audit of product data against a predefined set of key data attributes. The audit identified six products out of 808 (0.7%) were incorrectly flagged as not carrying an HSR.

FSANZ also implemented checks to ensure data created from in-market collection were accurate and consistent. Final 'Uptake' and 'Intended' datasets were checked, discussed and reconciled by two FSANZ HSR project leads.

Results

The number of intended products identified as carrying an HSR were calculated as a proportion of the total number of intended products to determine the percent of intended products carrying an HSR in Australia.

FSANZ determined there were 27,590 products in the Australian market that are intended to carry an HSR.

The HSR system was displayed on 8,864 products that were both intended to carry an HSR and were considered available for purchase at one or more of Australia's leading four retailers at 14 November 2023.

Products that are intended to and did display the HSR system therefore account for 32% of all products that are intended to display an HSR at 14 November 2023.

In addition, an HSR was displayed on 369 products that are permitted but not intended to display an HSR. An unquantifiable number of additional products displaying an HSR were also viewed for sale outside of the target market e.g. in chemists, other retail stores (such as Costco, Asian grocers) or fuel stations.

FSANZ did not view an HSR on any product not permitted to display an HSR.

The audit identified six products out of 808 (0.7%) were incorrectly flagged as not carrying a HSR.

The results of this report cannot be compared to previous HSR uptake estimates for Australia due to the different methodology and sources of product data used for the analysis.

Conclusion

HSR was observed on 32% of products intended to display the system in Australia.

This result is below the HSR system Interim target 1 - 50% of intended products have applied the HSR system by 14 November 2023.

Appendix 1

Guidance on the classification of foods as ‘intended’, ‘permitted but not intended’, or ‘not permitted’ to display a Health Star Rating (HSR)

Table 1: Intended foods

Products intended to display an HSR
<p>Packaged food product for retail sale:</p> <ul style="list-style-type: none"> • NOT specifically noted in tables 2 and 3 below • that ARE required to carry a nutrition information panel (NIP) (per Australia New Zealand food Standards Code (FSC) Standard 1.2.8), and • that CAN vary in nutrient composition. This includes: <ul style="list-style-type: none"> ○ Products for which composition can be altered - i.e. multi-ingredient processed packaged foods ○ Foods that can vary in nutritional composition when compared to other varieties of the same food – e.g. single ingredient foods such as flours and starches, grains, nuts and legumes, milk, edible oils, cocoa and carob powders and canned fruits and vegetables ○ Foods whose processing changes the nutritional composition significantly compared to the unprocessed variety – e.g. dried fruits and vegetables (including freeze dried and powders), juiced fruit and vegetables ○ Fresh single ingredient fruits, vegetables, poultry, meat and fish with added ingredients (including sugar and/or salt and/or fat) ○ Meat, poultry and fish mixtures that comprise more than one category of ingredient

Table 2: Not - intended foods

Products permitted but not intended to display an HSR
Fruit and vegetables: All whole fresh fruit (except coconut) and vegetables, fungi and legumes (except peanuts) as sold with no processing, plus these same products that have only been peeled, cut and/or surface treated and/or blanched and/or frozen (not dried).
Meat, poultry, and fish that comprise a single ingredient or category of ingredients with nothing added - fresh and frozen included
Plain and sparkling water/mineral water and ice (FSC Standard 2.6.2)
Prepared filled rolls, sandwiches, bagels and similar products (<i>N.B. frozen are considered standardised and are considered ‘intended’</i>)
Tea or coffee, or instant tea or instant coffee – includes freeze dried coffee and herbal and fruit teas
A herb, a spice or a herbal infusion
Iodised salt, reduced sodium salt mixture, salt or salt substitute
Vinegar or imitation vinegar
A substance that is approved for use as a food additive
A substance that is approved for use as and/or is used as a processing aid
Gelatine (also excluded agar)
Jam setting compounds

Products permitted but not intended to display an HSR
A food in a small package
Foods that do not vary in nutritional composition e.g. Sugar, sugar substitutes, glucose and glucose syrups Eggs Baking additives such as citric acid, tartaric acid, baking soda, cream of tartar, extracts, essences, food colouring, xanthan gum, agar agar

Table 3: Not permitted

Products not permitted to display an HSR
Infant formula (FSC Standard 2.9.1)
Food for infants: First foods with age range that starts <12 months (FSC Standard 2.9.2)
Formulated Supplementary Foods for young children (FSC Standard 2.9.3 Div 4) - includes toddler milks and formulated supplementary foods intended for young children.
Formulated Supplementary Sports Foods (FSC Standard 2.9.4) – assessed as such if products carries the prescribed name “formulated supplementary sports food”
Foods for special medical purposes (FSC Standard 2.9.5)
Beverages containing more than 0.5% alcohol by volume – examples may include kombuchas and/or other fermented beverages
Beverages that contain less than or equal to 0.5% alcohol by volume that resemble an alcoholic beverage and are marketed as a non-alcoholic variant or brand extension of an alcoholic beverage
Alcohol kits - including mixes designed to be used to make alcoholic drinks (e.g. cocktail kits).
Kava
Products not eligible to carry a nutrition content claims and health claims, as listed in FSC Standard 1.2.7 i.e. Foods intended for further processing or labelled prior to retail sale Foods delivered to a vulnerable person by a delivered meal organisation Foods provided as an institutional meal

Additional decisions made by FSANZ in assessing whether a product was intended, not-intended, not-permitted, excluded from scope or not in-scope.

Not in scope:

- Any product that is not a food, e.g. coupons, display units, general merchandise
- Any product that is not a packaged/labelled food, e.g. clearly intended for sale in the delicatessen, or in bulk bins
- Any product not intended for the consumer in the form listed, e.g. pallets, cartons of meat, food service items, bulk salads, bulk cheese
- Products sold by retailer online only and as a wholesale product
- Products presented as medicinal - e.g. throat lozenges
- Festive items – any product that is/is known to be an ‘Easter’, ‘Christmas’, ‘Halloween’, Mother’s/Father’s Day’ product.

Intended:

- Products ‘not intended’ in whole form, but reformed and presented on shelf with other ‘like’ products that are intended - e.g. whole canned tomatoes with nothing added presented on shelf with canned tomatoes with added ingredients.
- Eggs out of their shell – e.g. Packages contained fresh or frozen whole eggs, egg whites, egg yolks with shell removed.
- ‘Sugar like products’ often used in place of sugars that are not 100% sugar – e.g. golden syrup, agave syrup, treacle, maple syrup
- Vegetable and protein (meat, poultry, fish) mixtures that do not have any additional ingredients or added sugar and/or salt and/or fat (mixed dish).
- Vinegars noted to be a ‘glaze’.
- Mixtures of herbs, spices, salts, salt substitutes with additional ingredients such as rice flour and/or seeds and/or nuts - e.g. steak seasoning, zaatar, dukkah
- Instore bakery products (excepting single and loose items)
- Frozen (but not crumbed/battered/flavoured) seafood products with added mineral salts and/or preservatives.
- Liqueur custards/creams and foods containing alcohol – i.e. these were not excluded on the basis of the alcohol exclusions for beverages.
- Chewing gum

Not intended:

- Vinegar - all varieties of vinegar including those noted as caramelised
- Bread rolls and instore bakery products noted as ‘single’ or ‘loose’
- Products other than bakery that are cooked in store – e.g. roast chicken, roast beef
- In-store food service items and non-standardised prepared/fresh foods that did not – e.g. sushi stations
- Mixtures of herbs and/or spices and/or salts and/or salt substitutes without additional ingredients.
- All cooking wines – e.g. rice wine, Chinese cooking wine
- Fruit and vegetable mixtures – e.g. carrot sticks and watermelon snack pots
- Confectionery products known to be exempt from NIP labelling (small package)

New Zealand Food Safety

Haumarū Kai Aotearoa

Uptake of Health Star Rating in New Zealand in 2023

Report of progress against the first interim Health Star Rating uptake target in New Zealand

March 2024



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1 Executive summary

The Health Star Rating (HSR) system is a voluntary front of pack labelling system that aims to help consumers identify healthier choices. The system uses a rating scale of 0.5 to 5 stars. When comparing similar foods, those with more stars are healthier than those with fewer stars.

The HSR is a joint initiative between the New Zealand and Australian state and territory governments.

Most packaged foods are permitted to use the system. Foods intended to carry the HSR system are those that are permitted to use the system, are required by the Australia New Zealand Food Standards Code to have a nutrition information panel and that can vary in nutritional composition. Foods prohibited from using the system include alcohol, infant formula, certain special purpose foods and kava.

In 2020, Food Ministers in Australia and New Zealand set the following uptake targets for the voluntary HSR system:

- Interim target 1 (at 3 years): 50% of intended products apply the HSR by 14 November 2023
- Interim target 2 (at 4 years): 60% of intended products apply the HSR by 14 November 2024
- Final target (at 5 years): 70% of intended products apply the HSR by 14 November 2025.

New Zealand Food Safety administers the HSR system in New Zealand and is responsible for monitoring the implementation of the system in New Zealand. The purpose of this document is to report the uptake against interim target 1 of HSR on intended products in New Zealand as determined from the GS1 On Pack Database. The On Pack database is an inventory of label information from ~55,000 packaged food products that are or were available in New Zealand supermarkets.

The 27,707 products from the On Pack database were classified into one of the following groups:

1. Permitted and intended to display an HSR (n=19,745)
2. Permitted but not intended to display an HSR (n=4,075)
3. Not permitted to display an HSR (n=3,887)

In December 2023, 30% of products in the On Pack database (n=5826) intended to use HSR in New Zealand displayed the HSR system. This is substantially below the interim target 1 of 50%.

An additional 426 products such as meat, water, eggs and fresh/minimally processed fruit and vegetables permitted, but not intended, to display an HSR did so. Products prohibited from using the system did not display an HSR.

New Zealand Food Safety will utilise the same methodology and database to evaluate uptake against the second uptake target in 2024 (60%) and final target in 2025 (70%) to ensure results are comparable.

2 Purpose

The purpose of this document is to report the uptake of Health Star Rating (HSR) in New Zealand against the first interim HSR uptake target. The first interim uptake target is 50% of intended products have applied the HSR system by 14 November 2023.

3 Introduction

3.1 Health Star Rating system

The HSR system is a joint initiative between the New Zealand and Australian state and territory governments. It was developed in collaboration with the food industry, public health and consumer groups and has been implemented in Australia and New Zealand since 2014.

The HSR is an interpretive front of pack labelling system that rates the overall nutrient profile of packaged foods and assigns a rating from ½ star (least healthy) to 5 stars (healthiest). The HSR system makes it quicker and easier to choose healthier packaged food within a category (e.g. within breakfast cereals) but not between categories. When comparing similar foods, foods with more stars are healthier than similar foods with fewer stars.

3.2 Uptake targets

The HSR system underwent a major review in 2019 after five years of implementation. The independent reviewers recommended that the system remain voluntary, but that if the HSR is not displayed on 70% of intended products within five years that the system should be mandated.

In 2020, Food Ministers in Australia and New Zealand set the following uptake targets for the HSR:

- Interim target 1 (at 3 years): 50% of intended products apply the HSR by 14 November 2023
- Interim target 2 (at 4 years): 60% of intended products apply the HSR by 14 November 2024
- Final target (at 5 years): 70% of intended products apply the HSR by 14 November 2025.

3.3 Products intended to display a Health Star Rating

Foods intended to carry the HSR system are those that¹:

- Are permitted to use the system (foods prohibited from using the system include alcohol, infant formula, certain special purpose foods and kava); and
- Are required by the Australia New Zealand Food Standards Code (Code) to have a nutrition information panel (NIP); and
- Can vary in nutritional composition.

Foods considered to vary in nutritional composition are individual foods that have a nutrient composition that can be altered intentionally (multi-ingredient processed packaged foods) and foods where similar products can vary in nutritional composition (for example foods such as flours and oils).

3.4 Health Star Rating monitoring and evaluation framework

New Zealand Food Safety administers the HSR system in New Zealand and is responsible for monitoring the implementation of the system in New Zealand. The Front of Pack Labelling Secretariat is responsible for monitoring implementation of the system in Australia. Monitoring HSR uptake in Australia has been contracted to Food Standards Australia New Zealand (FSANZ).

¹ Health Star Rating system. Targets and intended products. Available at:
<http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/target-and-intended-products>

The HSR monitoring framework² has been developed by the Food Regulation Standing Committee to guide priority areas of enquiry for the HSR system over the period 2023-2025 in both Australia and New Zealand. Monitoring against the established uptake targets is identified in this framework as an essential monitoring requirement. An HSR monitoring plan for 2023 was also developed which provided more details on how monitoring against the first interim uptake target was to be undertaken³. Monitoring plans for 2024 and 2025 will be developed based on the outcomes of the 2024 monitoring programme.

4 Methods

4.1 GS1 on pack label database

New Zealand Food Safety contracts access to the GS1 On Pack Database⁴. This is an inventory of label information from ~55,000 packaged food products that are or were available in the New Zealand market. The database includes images of products and searchable digitised label information including ingredient lists, nutritional information, allergens, country of origin, health star ratings and claims.

The database predominantly includes food product information from the two major supermarket retailers, Foodstuffs New Zealand (New World, Pak'nSave, Four Square) and Progressive Enterprises (Woolworths, Foodtown, Countdown, FreshChoice). It also has limited data from other retailers, such as liquor stores and specialty stores where there has been specified collection activity. Every six months the database is matched to Circa (formally Iri⁵) sales information to estimate product category coverage. As at January 2024, the database is estimated to represent over 90% of pre-packaged food sales in New Zealand.

The On Pack database has a rolling data collection, where products are continuously uploaded to the database when available. Product data comes into the database through the following channels:

- Physical product received by GS1 through ProductFlow⁶
- Through an in-market collection programme (audit or in-market collection)
- Directly from the supplier (in select cases)

The On Pack database categorises products according to the GS1 Global Product Classification (GPC)⁷. This groups products into categories based on their essential properties as well as their relationships to other products. This contains a hierarchy of classification, the highest level of classification is a 'segment' - this represents an industry sector (e.g. food/beverage/tobacco). The lowest level of classification is a 'brick' - this is a category of similar products (e.g. perishable milk).

Accuracy of the database is routinely checked through biannual audits. For each audit, GS1 randomly selects approximately 500 products in one supermarket (alternating between the different major supermarket retailers) and their product record is checked in On Pack. If the product is not already in the On Pack database this is added, or the necessary updates are made if the data needs to be updated. In-market collections can also be commissioned to fill identified data gaps or to ensure accuracy of the database for areas of interest.

² Health Star Rating system post five-year review. Monitoring Framework. July 2023. Available at: [http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/\\$File/Monitoring%20Framework%20-%20final.PDF](http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/$File/Monitoring%20Framework%20-%20final.PDF)

³ Health Star Rating system. Year 3 monitoring plan. Available at: [http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/\\$File/HSR%20Year%203%20Monitoring%20Plan%20-%20final.PDF](http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/01C15064FB52327BCA25861D00364E60/$File/HSR%20Year%203%20Monitoring%20Plan%20-%20final.PDF)

⁴ GS1 New Zealand. On Pack data collection. Available at: <https://www.gs1nz.org/services/on-pack-data-collection/> (accessed 8 January 2024).

⁵ Iri. About us. Available at: <https://www.iriworldwide.com/en-nz/company/about-us> (accessed 17 January 2024).

⁶ GS1 New Zealand. ProductFlow. Available at: <https://www.gs1nz.org/services/product-flow/> (accessed 8 January 2024).

⁷ GS1. Global Product Classification (GPC). Available at: [Global Product Classification \(GPC\) | GS1](#) (accessed 8 January 2024).

4.2 Health Star Rating in-market collection

New Zealand Food Safety contracted GS1 New Zealand to conduct an HSR in-market collection to ensure that the On Pack database was up to date and reflected the HSR labelled products currently available in New Zealand supermarkets.

From May to July 2023 GS1 observed all HSR labelled products at the following stores within the specified collection scope:

Store	Collection scope
New World Mt Roskill, Auckland	All shelf stable products and some frozen/chilled products
New World Chaffers Park, Wellington	All frozen/chilled products and some shelf stable products
Countdown Ponsonby, Auckland	All products in store
New World Durham St, Christchurch	All products in store
FreshChoice Merivale, Christchurch	Some chilled products

A total of 3928 unique HSR-labelled products were observed and their product record checked against the label data in the On Pack database. Of these, the label information on 1054 products was collected and digitised to the database (n=625) or corrected in the database (n=429).

4.3 Data analysis

Two New Zealand Food Safety scientists independently undertook analyses of the data and later compared results and reconciled differences in classifications.

All products in the On Pack database which had been purchased in the last 12 months were included in the analysis (excluding festive products⁸). Data was extracted from the database from late November to mid-December 2023.

All products included in the analysis (n=27,707) were classified into one of the following groups:

1. Permitted and intended to display an HSR (n=19,745)
2. Permitted but not intended to display an HSR (n=4,075)
3. Not permitted to display an HSR (n=3,887)

Where possible, all products in a GPC brick were automatically classified to one of these groups based on a previous analysis undertaken in 2022. For the current analysis, it was assumed that the 2022 classifications were still accurate. FSANZ also independently classified GPC bricks into these three groups. This was compared with the New Zealand Food Safety 2022 classification of GPC bricks to ensure consistency between the analysis in Australia and New Zealand.

For GPC bricks that could not be automatically classified⁹, the New Zealand Food Safety scientists independently classified each product in these GPC bricks (5819 products) and then met with an NZFS scientist with extensive HSR knowledge to discuss broad categorisation approaches to ensure consistency. Appendix 1 provides guidance on how products were classified into groups 1-3. The results of the independent analyses were compared, and any differences in classifications reconciled.

⁸ Festive products were excluded from the analysis as the database may not adequately capture all such products which are only available at certain points of the year. Products were considered 'festive' if they had any of the following in their name: 'easter', 'hot cross bun', 'HXB', 'HX bun', 'chocolate egg', 'bunny', 'Christmas', 'XMAS', 'Santa', 'reindeer', 'fruit mince tart', 'Halloween', 'mother's day', 'father's day'.

⁹ GPC bricks could not be automatically classified to a group when they contained products with a mixture of classifications.

5 Results

In December 2023, the HSR system was displayed in the New Zealand On Pack database on 5826 products intended to carry the system. This represents 30% of all products intended to display the system in this database.

In addition, an HSR was displayed on 426 products that are permitted to display an HSR but on which it was not intended. This includes unprocessed meat (n=20), water (n=32), eggs (n=81) and fresh/minimally processed fruit and vegetables (n=181).

None of the products prohibited from using the system were displaying an HSR. Alcoholic beverages or line extensions of alcoholic beverages made up the vast majority (89%) of products prohibited from using the system.

6 Discussion

An HSR was displayed on only 30% of products intended to display the system. This is below the first interim uptake target of 50% of intended products having applied the HSR system by 14 November 2023.

An additional 426 products such as meat, water, eggs and fresh/minimally processed fruit and vegetable permitted, but not intended, to display an HSR did so. Products prohibited from using the system did not display an HSR.

New Zealand Food Safety identified two potential confounding issues as the monitoring programme was being designed and implemented and undertook measures to mitigate the issues.

Firstly, it is possible that the On Pack database has not captured all products currently displaying an HSR in New Zealand. This was mitigated prior to monitoring through GS1 undertaking a HSR in-market collection (see section 4.2) and New Zealand Food Safety engaging with industry to encourage them to ensure their product information was up to date in On Pack.

Secondly, there is a possibility that some products could have been misclassified as intended or not intended to display the HSR. This was mitigated by carrying out parallel but independent analyses of the data. Broad categorisation approaches were discussed with FSANZ to ensure harmonisation with the parallel monitoring programme being carried out in Australia.

The results from the present analysis cannot be compared to previous HSR uptake estimates in New Zealand due to differences in methodology and databases. In 2018, HSR uptake in New Zealand was calculated using the Nutrtrack database¹⁰, which New Zealand Food Safety contracted access to at that time, and the uptake was estimated on products eligible to display an HSR (both groups 1 and 2 above) rather than only products intended to display an HSR (group 1 above) as was the case in this study.

New Zealand Food Safety intends to use the current methodology and database to evaluate uptake against the 2023 uptake target for future assessments against the uptake targets in 2024 (60%) and 2025 (70%) to ensure comparability between years.

7 Conclusions

HSR was observed on only 30% of products intended to display the system.

This is below the first interim uptake target of 50% of intended products having applied the HSR system by 14 November 2023.

¹⁰ New Zealand Food Safety 2018, Health Star Rating – Monitoring implementation for the Five Year Review, New Zealand Ministry for Primary Industries, October

Appendix 1: Guidance on classification of foods as intended, permitted but not intended, or not permitted to display an HSR.

Not permitted to display an HSR

Foods with the prescribed name “formulated supplementary sports food”

Foods for special medical purposes such as Optislim

Products designed for infants <1 year - includes infant formula and first foods with age range starting below 12 months

Alcohol or non-alcoholic beverages presented as a line extension of alcohol (e.g., alcohol free beer) or mixes designed to be used to make alcoholic drinks (e.g. cocktail kits). This includes Kombucha with $\geq 0.5\%$ ABV.

Dietary supplements - e.g. capsules and tablets

Permitted but not intended to display an HSR

Foods not displaying a NIP or not intended to display a NIP¹:

Foods which contain just a mixture of fruits or vegetables (except canned, dried or juiced varieties)

Fresh meat/seafood with no added ingredients

Plain and sparkling water/mineral water

Prepared sandwiches, filled rolls and similar

Plain tea and coffee (including freeze dried coffee and herbal teas)

Herbs and spices (without salt)

Salt (including iodised salt and those with just anti-caking agents)

Vinegar

Gelatine (also excluded agar)

Jam setting compounds

Foods which cannot vary in nutritional composition²:

Sugar, sugar substitutes, glucose and glucose syrups³

Eggs

Baking additives such as citric acid, tartaric acid, baking soda, cream of tartar, extracts, essences, food colouring, Xanthan gum

1. Did not assess small pack exemption as this is difficult to do from images. Instead, excluded those not displaying a NIP
2. Preservatives and flavourings with no salt/sugar/fat were deemed to not alter the nutritional profile of food therefore foods containing these which met one of the above criteria were assessed as 'not intended' e.g. minted peas.
3. Note only these products by themselves were deemed 'not intended'.

Permitted and intended to display an HSR

Foods which are not included in the above Table

Foods which vary in nutritional composition:

Foods with added salt, fat, sugar/sweeteners

Foods which can vary in nutritional composition when compared to other varieties:

Milk

Flour (including corn starch)

Grains

Legumes

Canned vegetables and fruit¹

Cocoa and carob powders

Foods whose processing changes the nutritional composition significantly compared to the unprocessed variety:

Dried fruit and vegetables (including freeze dried and powders)

Juiced fruit and vegetables

1. Include all canned varieties even if they don't have added salt/fat/sugar. This is because consumers will likely be comparing between canned varieties and many of these can have added salt/fat/sugar.

Industry survey

The Front-of-Pack Labelling Secretariat conducted a targeted survey of industry via online survey between 1 November and 22 December 2023. The survey aimed to elicit views from industry on their experience with the HSR system, including plans for future use, and barriers and challenges faced in implementing the HSR system. Responses from the survey should not be considered to be representative of the food industry as a whole, but rather should be taken as a source of qualitative information reflecting the views of some industry members.

Methodology

The survey was available on the Australian Government Department of Health and Aged Care's Consultation Hub (via a non-public link). An invitation to complete the survey was sent by the Secretariat to its distribution databases (approximately 800 recipients). This included a number of peak bodies who were invited to share the survey link with their members.

Key findings from the survey are outlined below. Where relevant, quantitative results from the survey have been provided.

Respondent demographics

A total of 84 responses were received, and one industry peak body also provided general information on their industry sectors.

Approximately 79% (n=66) of respondents were based in Australia, 13% (n=11) in New Zealand, and 8% were overseas with regional head offices in Australia and/or New Zealand. Indications of company size were sought by asking respondents how many stock keeping units (SKUs) their company had. Approximately half had less than 50 SKUs (21% had less than 20); about 20% had more than 300 (with some respondents indicating they had substantially more than this number).

The majority (75%) of respondents implemented the HSR on at least some of their products (including 21% who implemented it across their whole portfolio).

Results

Plans to expand implementation of the HSR

Of the 73 respondents who were not already applying the HSR across all products, 37% planned to apply it to additional products in the next 12 months, while a further 20% were unsure.

Of the Australian companies, 23% planned to add HSRs in the next 12 months, 36% did not, and 23% were unsure (the remaining 12% already applied it to all products). Of the New Zealand companies, 45% planned to add HSRs and 45% did not, with 0 unsure and 9 already fully applied.

Of those companies planning to expand the use of the HSR, most did not offer a reason, although two respondents noted that HSRs would be applied when labels are next updated, including when applying new mandatory labelling such as Plain English Allergen Labelling.

Forty-two percent of respondents (who were not already applying the HSR to their full range) did not plan to add the HSR to any products in the next 12 months. Broad reasons given for this include:

- Not enough space on the label
- Consider HSR to be flawed or misleading, including those who consider the HSR does not reflect the health benefits of their product (e.g. juice, olive oil, organic foods)
- Ratings for their products are low

- Challenges of applying on multilingual pack for international markets
- Competitors not yet carrying HSR.

Motivations for using the system

Respondents were asked about their motivations for applying the HSR (if they applied it). Five options were given (respondents were able to select more than one option), with opportunity to elaborate by free text. The highest proportion of respondents (38, or 45% of all respondents) selected public health as their motivation. Figure 1 shows the spread of other responses.

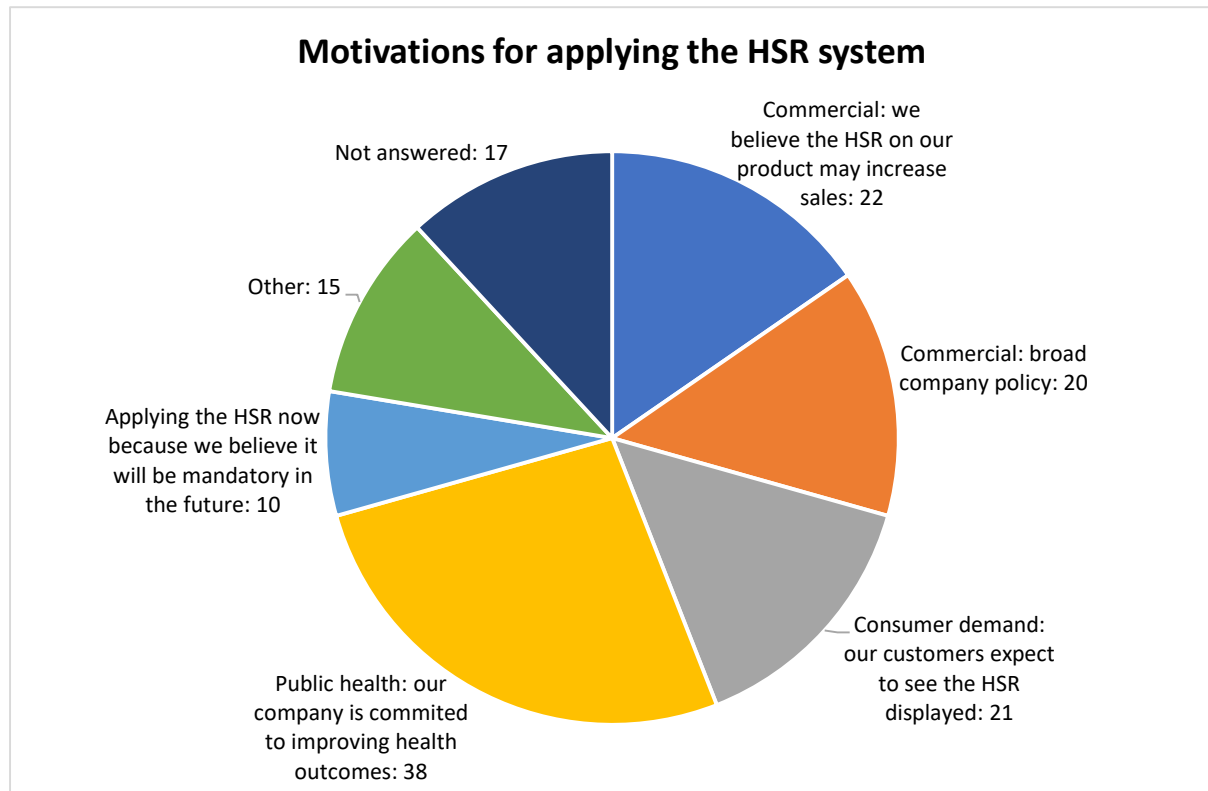


Figure 1: Motivations for using the HSR.

Key reasons given in free text included:

- Retailer demand (several responses) (n=8)
- Consumer demand
- It suits the category
- Desire to provide transparent and easy to understand nutrition information to consumers

Reasons for not implementing the HSR system

Respondents who had not applied the HSR on some or any of their products were asked why. Sixty-seven responses were received, which included:

- Many respondents (~20) indicated they felt the HSR was a flawed system and/or unfairly rated their products. Many respondents perceived those products with additives including artificial sweeteners rated more highly than 'natural' products. These respondents considered the HSR to be misleading to consumers.

- A number indicated that their products rated poorly under the HSR system and felt that applying the HSR would negatively impact sales. These included companies who considered their products to be 'treat' foods.
- Several respondents indicated they would apply the HSR if their competitors did.
- Two respondents indicated that the categories are confusing.
- Several respondents referred to the cost burden on companies to update their labels when new requirements are introduced. Some respondents indicated that they may add the HSR when they next have an opportunity to redesign/print labels.
- A small number of respondents indicated a desire to reformulate their products before implementing the HSR.
- Some respondents indicated that consumers didn't understand the HSR system well, and this was a deterrent to them implementing the HSR.
- A number indicated their products were not eligible or intended for the HSR system (e.g. tea, coffee, infant formula; small packages; non-retail products).
- One respondent indicated some of their products had standardised global packaging, making it hard to adopt the HSR.
- One company indicated its policy was to implement the HSR on retail products that are over 2 stars (they indicated that their products that fall under this would naturally be viewed as unhealthy).
- One respondent noted the lack of space on the label to describe and market their product, due to mandatory labelling requirements and certification logos.
- Other respondents indicated that they were gradually introducing the HSR across their range.

A number of respondents indicated specific possible improvements to the system that may entice them to use the HSR, including:

- Changes to the 'as prepared' rule (particularly for recipe bases that are designed to be added to meals).
- Allowing its use on the back of pack.
- Calculating HSR per serve rather than per 100g.
- Changing the system to be more similar to the United Kingdom's approach¹.
- Expand the criteria beyond existing nutritional composition.

One fruit juice manufacturer indicated that some competitors are still displaying 5 stars for 100% fruit juice², and until these incorrect labels have been updated, they will not apply the HSR to their products.

¹ The United Kingdom's voluntary traffic light labelling system is a colour coded system that shows whether a food has high, medium or low amounts of fat, saturated fat, sugars and salt. It also shows the amount of calories and kilojoules in that particular product.

² Changed introduced in 2020 following the Five Year Review of the HSR system have meant that 100% fruit juice is no longer eligible to display a 5 star rating. Companies had 2 years to update their labels (to November 2022).

Respondents were also asked if they had implemented the HSR system at one point but since removed it from their labels. Six respondents indicated they had done this, of which 4 had removed the HSR following the changes introduced in 2020. One of these indicated they planned to return it to their labels this year (a further respondent did not indicate why they removed it but also indicated they planned to return it at their next label update). One respondent also noted that other competitors in their category had removed the rating from their products.

Challenges and barriers to implementing the HSR system

Respondents were asked if they had encountered challenges or barriers in implementing the system, with a range of choices to select from as well as optional free text to elaborate.

Options provided were:

- Logistical challenges (e.g. timing of labelling changes, lack of space on label)
- Cost (e.g. redesigning labels, resourcing of calculating the HSR)
- Understanding (e.g. the Style Guide is not clear, or not confident in correctly calculating the HSR)
- Design issues (e.g. using the HSR artwork is impractical for my labels)
- Technical (e.g. not able to access the HSR calculator or download the artwork)
- Principle (e.g. do not believe that the HSR for our product is a fair indication of its nutritional profile)
- Commercial (e.g. competitors are not adopting, or believing this would negatively affect sales)
- Need for updating calculations following Five Year Review changes in 2020

One quarter of respondents had not encountered barriers or challenges (with no significant difference between small companies (less than 100 SKUs) and large companies (more than 100 SKUs)).

Figure 2 shows the spread of barriers identified by respondents.

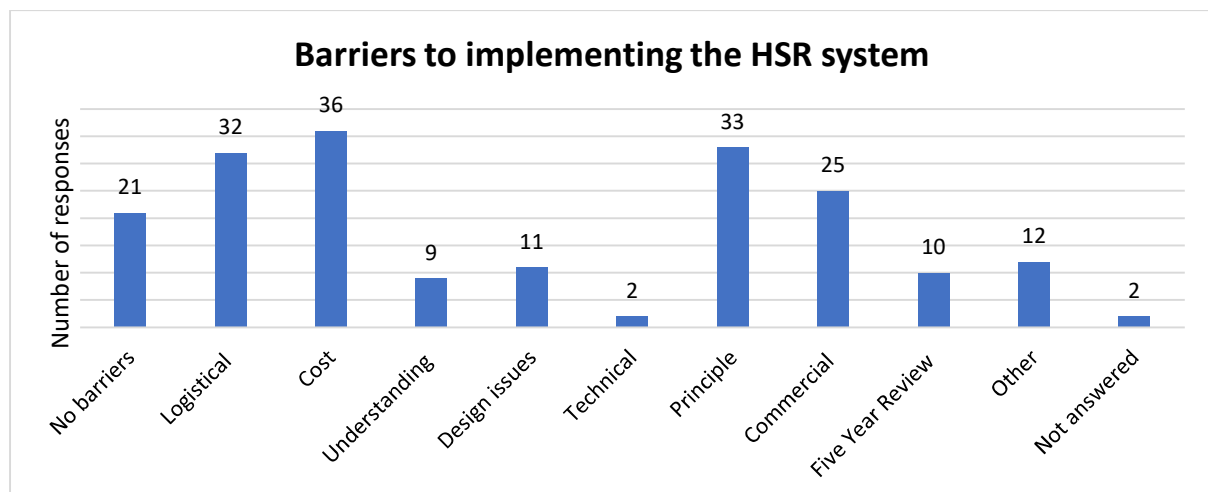


Figure 2: Barriers to implementing the HSR system

There were few differences between respondents from small companies (less than 100 SKUs) and larger companies (more than 100 SKUs). Larger companies were more likely to identify logistical challenges (48% of large companies and 29% of small companies) and cost (52% of large companies and 35% of small companies) as a barrier to implementation.

Free text responses to this question included:

- Challenges getting senior managers to agree to implementation.
- Physical labelling challenges (small space availability, multi-market products)
- Cost of designing new labels: mandatory measures take priority for new labels – it is not always possible to do multiple changes to a label at once.
- Lack of clarity for the calculation of certain food items.
- Changes from the Five Year Review were implemented by different companies at different times, causing consumer confusion as products available on shelf were potentially calculated under different systems (uneven playing field).
- Lack of clarity around ‘intended’ products.

Off-pack use of the HSR

Respondents were asked if they were applying the HSR online or in advertising for any products where the HSR was not displayed on pack. Of the 81 respondents to this question, 51 indicated they were not, and 18 were (on at least some products). A further 6 were aware that retailers were displaying an HSR for their product where it was not displayed on the pack.

What could the Government do to increase uptake

Respondents provided several suggestions for actions that could be taken to increase uptake of the HSR. Key suggestions included:

- Consumer education on nutrition (including but not limited to the HSR), including in collaboration with health professionals (multiple responses)
- Acknowledging positive achievements, recognising companies applying the HSR
- Increasing demand, e.g. preferential government procurement policies (such as requiring HSR for products provided in government institutions such as hospitals and schools), incentives for consumers to buy products with HSR ratings
- Better technical support including swift answers to queries, support for reformulation, and tailored support to small companies
- Make it mandatory (~12 responses)
- Increase consumer trust
- Research and evaluation, including regular reviews and updates of the system
- Better monitoring and enforcement
- Direct engagement with senior company directors to encourage uptake of the system

A number of respondents also identified changes to the system that they believe would improve it. These include:

- Extend the HSR system to the food service sector
- Exempt imported products
- Allow the HSR logo to be smaller so it takes up less space on the label
- Remove the HSR from categories where it may not provide a clear distinction (e.g. single ingredient products)
- Amendments to the algorithm (e.g. to penalise more processed foods)
- Reduce non-intended use of the HSR, for example in canteen policies (this respondent noted that when used this way the HSR becomes a tool for defining products as “healthy” or not, rather than a tool for comparison within a category).